



4th April 2023

Dear Madam, Dear Sir:

In light of the announced COREPER I meeting this Wednesday April 5th to discuss the F-Gas Regulation Revision, our industry alliance is extremely concerned that the adopted European Parliament Report and the recently published Swedish Presidency compromise text, dated 31st March, are insufficient in building a successful, pragmatic and implementable Regulation. Such proposals would jeopardise the REPowerEU targets on heat pump deployments and slow down the energy transition.

Whilst we support this revision to further phase down higher global warming potential HFCs, and our industry supports new technologies -- already using alternative fluorinated and non-fluorinated options (as it is already the case in stationary refrigeration applications) -- we call on decision makers to focus on:

- **Making it right:** include sufficient quotas, and achievable bans with reasonable timelines;
- **Making it precise:** use clear definitions for banned products, which is an extreme technology prescriptive measure that cannot work without clarity;
- **Making it pragmatic:** adjust the laws to market realities of product development times, service needs, safety concerns and a skilled workforce; and
- **Make it consistent:** do not create a programmed obsolescence of existing equipment affecting all sectors.

Make it right: with granular bans, sufficient quotas, and realistic timelines

- Many product bans lack granularity and are not grasping the diversity and complexity of the sectors. As a result, several product bans are not feasible from a safety, efficiency, affordability, and timing perspective.
- An example is the use of propane as a refrigerant in heat pumps, where it is not correct to assume that the potential application in some heat pump solutions can be simply “extrapolated” to all types of heat pumps. Although safeguard clauses such as “exempt when needed to meet safety requirements” are being proposed, there was no impact assessment done to evaluate in how many cases such exemptions would have to apply.
- Due to lack of granularity, timelines proposed often underestimate the impact on the whole supply chain, including the time needed for changing components, testing, upscaling and upskilling installers and service technicians.
- Sufficient quotas are essential for the servicing of existing equipment, for the “REPowerEU” growth of heat pumps and for EU-based factory investments.

- Safeguard clauses such as giving the commission delegated power to add more quota would result in a “yo-yo” type of legislation which is not workable for the industry and its supply chain. We would like to point out again that companies investing in EU-based factories are put in a disadvantaged position as they cannot rely on the bank of quota authorizations. Shortage of quota simply makes investments in EU factories less attractive, which conflicts with the Net Zero industry Act.

Make it precise: unclear bans, unclear definitions, and unclear applications will lead to legislation that is not enforceable

- Legal certainty and market surveillance can only work if the product bans are properly defined in an unambiguous and granular language. We call on legislators to therefore consider the concrete proposals by the joint industry alliance (see attachment).

Make it real: by really adjusting the laws to market realities of product development times, safety concerns and a skilled workforce

- It is unrealistic to propose quota readjustment because it will be impossible to do this early enough for businesses, consumers, and value chains to react and plan accordingly.
- The presence of the safety-related exemptions and quota readjustment clauses is a sign of a badly drafted regulation and a lack of understanding market realities.
- The proposals will make key equipment unaffordable for many consumers across Europe.
- New refrigerants require upskilling to install and maintain equipment safely and efficiently. Today, around 10% of technicians are currently able to work with non-fluorinated alternatives. The current proposals provide insufficient time for technician training, which creates considerable safety risks.
- Ecodesign and other energy efficiency legislation will be undermined by the current F-gas revision proposals. There has been inadequate cross-discipline analysis of the impacts.
- Refrigeration, air conditioning and heat pump equipment will be affecting residential, SMEs and small retail sectors, where investments in renewal of systems and equipment proceed at a low pace.

Make it consistent: do not create a programmed obsolescence

- By banning spare parts and preventing repairability, the proposals are setting a trend to “programmed obsolescence”.
- Europe is working hard towards the so called “right to repair”, announced in the new Consumer Agenda and the Circular Economy Action Plan, where repairability and availability of spare parts are a must to avoid the replacement of equipment.

In conclusion, without addressing these very serious concerns, there will be the risk of increased illegal imports of HFCs, lower investments in EU manufacturing, considerable burdens on members states for market surveillance, and most worrying – a continued dependence on gas-fired boilers due to lack of affordable and diverse heat pump solutions (not all heat pumps are monobloc types installed outdoors).

We, the undersigned, are fully committed to EU carbon neutrality by 2050 and represent the industries that will deliver on decarbonising buildings through innovative heating, cooling, refrigeration, and foam insulation solutions, as well as rolling out REPowerEU.

On behalf of the alliance, we thank you for your attention and consideration. We would very much appreciate the opportunity to meet and discuss these points in the coming weeks to provide sound and factual information to inform your negotiations.

Please do not hesitate to contact us.

With kind regards,

The undersigned organisations

The co-signers of this letter are:

APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 50 billion, investing over EUR 1.4 billion in R&D activities and creating nearly 1 million jobs. <https://www.applia-europe.eu/>

ASERCOM, the Association of European Component Manufacturers is the platform for dealing with scientific and technical topics and their challenges, promoting standards for performance rating, methods of testing and product safety, focusing on improved environmental protection, serving the refrigeration and air conditioning industry and its customers. It is the aim of ASERCOM to be the platform for dealing with scientific and technical topics and their challenges, promoting standards for performance rating, methods of testing and product safety, focusing on improved environmental protection, serving the refrigeration and air conditioning industry and its customers. ASERCOM addresses top issues and communicates relevant opinions of its members to the industry, the public, governmental bodies and non-governmental organisations. <https://www.asercom.org/>

Copa Cogeca are the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative and competitive, while guaranteeing food security for 500 million people throughout Europe. <https://copa-cogeca.eu/>

The European FluoroCarbons Technical Committee is a Cefic Sector Group that monitors legislation related to HFCs (hydrofluorocarbons), and HFOs (hydrofluoro-olefins) in the EU and at global level. Fluorocarbons are used as feedstock, as refrigerants, as solvents and as blowing agents for insulation plastic foams. <https://www.fluorocarbons.org/>

EHPA is the European Heat Pump Association. In a fully decarbonised Europe, heat-pump technologies are the number one heating and cooling solution, being a core enabler for a renewable, sustainable and smart energy system. They integrate multiple energy sources, bridging the electric and thermal sector on a local and regional level (micro grids, DHC). Heat pumps are easy to install and widely used in all thermal applications (buildings, transport, white goods) and industrial processes. Refrigerants and other components are available in sufficient quantities. The technology is recognised for its merits in legislation and existing energy models. EHPA is a forward-looking association aiming at putting heat pumps at the centre of the energy system by communicating the benefits of heat pumps, providing relevant information and being a reference point and integrator to all stakeholders. <https://www.ehpa.org>

EPEE represents the refrigeration, air conditioning and heat pump industry in Europe. Founded in the year 2000, EPEE's membership is composed of over 50 companies as well as national and international associations from three continents (Europe, North America, Asia). With manufacturing sites and research and development

facilities across the EU, which innovate for the global market, EPEE member companies realise a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium-sized enterprises such as contractors who install, service and maintain equipment. <https://epeeglobal.org/>

EPFA, the European Phenolic Foam Association includes companies that share an interest in the use of phenolic foam products within the insulation industry. The members are either producers of phenolic foam insulation resin suppliers or are companies closely linked with the industry through the provision of raw materials. <https://epfa.org/>

Eurovent is Europe's Industry Association for Indoor Climate (HVAC), Process Cooling, and Food Cold Chain Technologies. Its members from throughout Europe represent more than 1.000 organisations, the majority small and medium-sized manufacturers. Based on objective and verifiable data, these account for a combined annual turnover of more than 30bn EUR, employing around 150.000 people within the association's geographic area. This makes Eurovent one of the largest cross-regional industry committees of its kind. The organisation's activities are based on highly valued democratic decision-making principles, ensuring a level playing field for the entire industry independent from organisation sizes or membership fees. <https://eurovent.eu/>

HOTREC is the umbrella association of Hotels, Restaurants, Bars and Cafés and similar establishments in Europe, which brings together 45 National associations in 34 countries, and is the voice of European hospitality. HOTREC's mission is to represent and champion its interests towards the EU and international institutions, foster knowledge sharing and best practices among its members to further promote innovation, and act as a platform of expertise for the hospitality sector. www.hotrec.eu

Japan Business Council in Europe (JBCE) is a leading European organization representing the interests of about 100 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, textiles and glass products. For more information: <https://www.jbce.org/>

JRAIA is the industry association representing over 160 manufacturers of refrigeration and air conditioning equipment in Japan. We, the members of JRAIA, have so far been dedicated to offering quality products to the markets of EU. JRAIA aims to promote and improve production, distribution and consumption of refrigeration and air conditioning equipment and their applied products, as well as auxiliary devices and components, automatic controls and accessories and thereby contribute to the steady development of Japanese industry and the improvement in people's standard of living. For more information, please see JRAIA's website: www.jraia.or.jp.

PU Europe is the voice of European voice of the polyurethane (PUR / PIR) insulation industry, whose products are widely used in residential and commercial buildings with an estimated European market share of over 11%. There are more than 110 manufacturing sites in Europe accounting for more than 20,000 direct jobs. <https://www.pu-europe.eu>

Transfrigoroute International (TI) is the only specialist independent umbrella association for the temperature-controlled road transport industry at the European Union level. TI members include national associations representing the temperature-controlled sector, haulage companies involved with transport at controlled temperatures of foodstuffs and other goods in solid or liquid form, trailer manufacturers, manufacturers of refrigeration equipment and technical testing providers. TI membership is also open to companies providing technical assistance, insurance, damage assessment and legal services, and en-route support.